

**Infrastructure Finance Committee: Cost Savings and Efficiency Work Group
Informal Notes from Karen – Edition 2 as of Jan 21, 2003:**

Quick Summary of Draft Recommendations from Jan 14 & 15th Retreat

Introduction

The following notes contain a synopsis of the key items that we discussed and made decisions on at the retreat last week. Because we're still in the midst of the process to analyze and review the various ideas, these informal notes are meant to be an internal reference document for our use only. Once we've finalized things, we'll be ready to publish all our recommendations at one time for public review.

Our (Draft?) Shared Definition of and Criteria for "Efficiency"

► Step 1: Test each item against these overriding "Goals" or First Criteria:

- Saves money
- Saves time

... for BOTH the public and private sectors

► Step 2: If the item meets the first test, then we use these "checks:" or "constraints" to further test and evaluate the idea:

- Quality and Level of Service
- (Maintains) public convenience
- Safety
- Simplicity
- Quality of life for citizens
- Acceptable to public works
- Implementable

Examining the Ideas: Initial Recommendations for Ideas Other Than Those Related to Implementing the Comprehensive Plan

Advanced Acquisition of Right of Way Along Arterial Corridors

Background: There are a variety of issues related to this particular proposed idea, all of which are interrelated and must be incorporated into our Group's recommendation on this idea.

Decision: Adopt the following statements:

1. Move ahead with the Memorandum of Understanding with the County for joint acquisition policies and procedures. Formalize this as soon as possible.
2. Get early start for acquisition by getting plans to the ROW staff at least 1 year ahead. Note that this will require an internal policy change, does not require a statute change.
3. In order to have more timely construction drawings, do the following:
 - a. Give priority to completed, not partial plans. Note that this refers primarily to subdivision work.
 - b. Put the responsibility on the private developer and design team to be in compliance with City and State guidelines and requirements. Note the power and responsibility and assumption of liability that comes with the engineers' stamp of approval.
4. For staff and resources to implement this, recognize that it is through the Real Estate Department of Urban Development. Most of these are contract workers, not City employees. Need to ensure that the \$\$\$ are available for having enough staff to do this in a timely manner.

NOTE: Group purposefully decided NOT TO ADOPT this statement: "Condense the time frame for short term acquisitions inside the City." This would imply changing the statute and therefore is beyond scope of this Group's work.

Interagency Communication and Coordination for Capital Improvement Projects

Decision: Adopt the wording as proposed, which is as follows:

Examine ways to enhancing the communication and coordination of capital projects between Public Works and Utilities, LES, LPS, Parks and Recreation, and other utilities, and other City and County agencies.

Grantwriting

Background: The proposed idea: "Expand use of City grant writing program to secure additional capital funds."

Decision: Forward this to the Finance Work Group for further consideration.

Right of Way and Costs for Retaining Walls

Background: Addressing the question: "Will the use of the 120 foot right-of-way standard for future arterial streets decrease the need for retaining walls?"

Decision: Reduce retaining wall usage by doing cost/benefit analysis of this in conjunction with Right of Way costs.

Note: Work Group requests a new estimate for this line item to find out what actual cost savings would be.

Aggregate Construction Projects into a Single Bid

Background: The proposed wording is:

"Lump several construction projects (perhaps covering a two-year period) into a single contract in order to encourage efficiencies and economies of scale that such a method may provide."

However, a result of this might be that small local contractors would not have the resources to bid on one large project. Group members had varying viewpoints on this. Some felt that the cost savings would be worth it and that small contractors would be challenged to grow. Others felt that this would have an inappropriate and significant dampening effect on small local businesses.

Decision: Adopt this wording, but also add in these elements:

1. Give a "forewarning" to local contractors so that they can prepare to position themselves strongly for an aggregated contract.
2. Have City officials "be smart enough" to know when it's better to aggregate, better to leave separate.

Examining the Ideas: Initial Recommendations for Ideas Directly Related to Implementing the Comprehensive Plan

► A Given: Consistency and Continuity of Comprehensive Plan Implementation

The following statement was proposed:

Savings could be achieved if the City commits to following the infrastructure program shown in the Comprehensive Plan. Indiscriminate and/or frequent departures from the Plan's infrastructure program discourage and undermine long-term facilities planning and reduce the cost savings that such planning can provide.

Decision: Further discussion of this issue led the group to agree that this statement is a given and should be in the Group's introductory comments as a concept underlying the specific recommendations.

► Specific Ideas Related to Implementing the Comprehensive Plan

Phasing In the Development Called for in the Adopted Comprehensive Plan

Background: This issue/idea must be discussed in much greater detail before the group is ready to make a final recommendation. There are strong arguments in favor of carefully phased-in growth, strong arguments in favor of less stringent approaches. A further issue is the impact of having limited sewer development and access versus a wider array of sewer hookups, thus providing more options for land to be developed.

A major question related to this is how to decide how to phase. A possibility is to endorse contiguous development, with annexation. Ultimately, City staff needs help and guidance in deciding how to do this.

Decision: The group currently has two different statements under consideration:

Statement 1. We do not need to build out the entire infrastructure system for full development of the 25-year plan in 12 years. We do need to provide Right of Way (See items 1 & 2) per the plan. We recommend phasing infrastructure as needed.

NOTE: In a test of group support for this, all were at neutral or above, but there were still a number of concerns to address before this meets the full level of support.

Statement 2: Cost savings could be achieved if the infrastructure improvements called for in the plan are phased in over a longer period of time.

Prioritize City's CIP Projects Relative to Adopted Comprehensive Plan

Decision: Adopt this statement:

Institute policies and procedures for closely tying the programming of capital projects with the growth phasing program and related policies in the Comprehensive Plan.

Projects Not in Conformance with Comprehensive Plan

Background: The proposed statements for these types of projects engendered lively discussion and no 100% agreement. There is a balance to be struck between market forces and careful adherence to the plan.

Decisions: Adopt these statements:

1. Develop clear policies for requests that are not in conformance with the adopted Comprehensive Plan. However, these policies must be open enough to allow projects that create and/or retain jobs for the community.

(About $\frac{3}{4}$ of the group supported this statement.)

2. Using a cost/benefit analysis process, should the City require certain concessions and payments from developers of such projects? No binding agreement on this. Around $\frac{2}{3}$ of Work Group members agreed to this.

Additional Items to Consider

► The Financing Gap:

- Some of us have concerns about the underlying assumptions, but, at this point,
- Recognize that this is not the issue our Work Group is to address. It belongs more with Finance. So, for now, we'll start with the assumptions and work at developing recommendations to reduce the gap.
- Ultimately, we may be able to revisit this issue.

► Items to Address at Future Meetings

- Design standards and their impact on cost savings/efficiency
- Financing projects: Possibility of cash flowing the projects rather than waiting for all the funding to be in place.